

**Senate File 242 - Introduced**

SENATE FILE 242

BY BOLKCOM

**A BILL FOR**

1 An Act relating to solar energy purchase requirements  
2 applicable to certain electric utilities.  
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 476.44, subsection 2, Code 2015, is  
2 amended to read as follows:

3 2. a. (1) An electric utility subject to this subchapter,  
4 except a utility that elects rate regulation pursuant to  
5 section 476.1A, shall ~~not~~ be required, by January 1, 2020,  
6 to own or purchase, ~~at any one time, more than~~ its share of  
7 one hundred five megawatts of power from ~~alternative energy~~  
8 ~~production facilities or small hydro~~ solar energy facilities  
9 located in this state at the rates established pursuant to  
10 section 476.43. The board shall allocate the one hundred five  
11 megawatts based upon each utility's percentage of the total  
12 Iowa retail peak demand, for the year beginning January 1, ~~1990~~  
13 2015, of all utilities subject to this section. If a utility  
14 undergoes reorganization as defined in section 476.76, the  
15 board shall combine the allocated purchases of power for each  
16 utility involved in the reorganization.

17 (2) In satisfying the solar energy ownership or purchase  
18 requirements pursuant to subparagraph (1), a minimum of ten  
19 percent of the energy produced or purchased shall be produced  
20 by or purchased from solar energy facilities with a nameplate  
21 generating capacity of twenty kilowatts or less.

22 b. Notwithstanding the one hundred five megawatt ~~maximum~~  
23 requirement, the board may increase the amount of ~~power~~ solar  
24 energy that a utility is required to own or purchase at the  
25 rates established pursuant to section 476.43 if the board  
26 finds that a utility, including a reorganized utility, exceeds  
27 its ~~1990~~ 2015 Iowa retail peak demand by twenty percent and  
28 the additional ~~power~~ solar energy the utility is required to  
29 purchase will encourage the development of ~~alternate energy~~  
30 ~~production facilities and small hydro~~ solar energy facilities.  
31 The increase shall not exceed the utility's increase in peak  
32 demand multiplied by the ratio of the utility's share of the  
33 one hundred five megawatt ~~maximum~~ requirement to its ~~1990~~ 2015  
34 Iowa retail peak demand.

35 EXPLANATION

1           The inclusion of this explanation does not constitute agreement with  
2           the explanation's substance by the members of the general assembly.

3       This bill specifies solar energy purchase requirements  
4 applicable to electric public utilities.

5       Currently, electric utilities are required to own alternate  
6 energy production facilities or small hydro facilities located  
7 in Iowa, or to enter into long-term contracts to purchase or  
8 wheel electricity from such facilities. Alternate energy  
9 production facilities are defined in Code section 476.42  
10 to include solar, wind turbine, waste management, resource  
11 recovery, refuse-derived fuel, agricultural crops or residues,  
12 or woodburning facilities.

13       There is a limitation on the amount of electricity required  
14 to be produced by a facility which is owned by an electric  
15 utility, or purchased or wheeled from an alternate energy  
16 production facility or small hydro facility. An electric  
17 utility is not required to own or purchase, at any one time,  
18 more than its share of 105 megawatts of power from alternate  
19 energy production facilities or small hydro facilities.

20       The bill modifies the 105 megawatt purchase requirement  
21 and limitation to make it applicable strictly to solar energy  
22 derived from solar energy facilities in this state. The 105  
23 megawatt solar energy ownership or purchase requirements must  
24 be attained by January 1, 2020. The bill provides that out of  
25 this amount, a minimum of 10 percent of the energy produced  
26 or purchased shall be produced by or purchased from solar  
27 energy facilities with a nameplate generating capacity of  
28 20 kilowatts or less. The bill makes conforming changes to  
29 related provisions.